

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

| | | | |
|---|--------------|--------------------------------------|--------|
| Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other | | Local Unit Name | County |
| Fiscal Year End | Opinion Date | Date Audit Report Submitted to State | |

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☐ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☐ The local unit has adopted a budget for all required funds.
5. ☐ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☐ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☐ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☐ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☐ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☐ The audit opinion is UNQUALIFIED.
13. ☐ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☐ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

| | | | | |
|--|--------------------------|--|----------------|-----|
| We have enclosed the following: | Enclosed | Not Required (enter a brief justification) | | |
| Financial Statements | <input type="checkbox"/> | | | |
| The letter of Comments and Recommendations | <input type="checkbox"/> | | | |
| Other (Describe) | <input type="checkbox"/> | | | |
| Certified Public Accountant (Firm Name) | | Telephone Number | | |
| Street Address | | City | State | Zip |
| Authorizing CPA Signature <i>Hennrich A. Berthiaume</i> | Printed Name | | License Number | |

PAW PAW FIRE DEPARTMENT

Van Buren County, Michigan

FINANCIAL STATEMENTS

February 28, 2006

PAW PAW FIRE DEPARTMENT

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BERTHIAUME
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Certified Public Accountants



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INDEPENDENT AUDITORS' REPORT

Members of the Board
Paw Paw Fire Department

We have audited the accompanying financial statements of the governmental activities and the major fund of the Paw Paw Fire Department (the Fire Department) as of and for the year ended February 28, 2006, which collectively comprise the Fire Department's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Fire Department's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Paw Paw Fire Department as of February 28, 2006, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison schedule, as identified in the table of contents, is not a required part of the basic financial statements but is supplemental information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

The accompanying financial statements do not present a management's discussion and analysis, which would be an analysis of the financial performance for the year. The Governmental Accounting Standards Board has determined that this analysis is necessary to supplement, although not required to be part of, the basic financial statements.

As described in Note 8, the Fire Department has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and related statements, as of March 1, 2005.

Berthiaume & Co.

August 23, 2006

BASIC FINANCIAL STATEMENTS

PAW PAW FIRE DEPARTMENT

GOVERNMENTAL FUND BALANCE SHEET/STATEMENT OF NET ASSETS

February 28, 2006

| | <i><u>Governmental Fund</u></i> | <i><u>Adjustments (Note 1)</u></i> | <i><u>Statement of Net Assets</u></i> |
|--------------------------------------|-------------------------------------|--|---|
| Assets: | | | |
| Cash and cash equivalents | \$ 111,357 | \$ - | \$ 111,357 |
| Due from other governmental units | 7,036 | - | 7,036 |
| Prepaid expenditures/expenses | 2,225 | - | 2,225 |
| Capital assets: | | | |
| Depreciable capital assets, net | <u>-</u> | <u>1,053,985</u> | <u>1,053,985</u> |
| Total assets | <u>\$ 120,618</u> | <u>1,053,985</u> | <u>1,174,603</u> |
| Liabilities and Fund Balance: | | | |
| Liabilities: | | | |
| Accounts payable | <u>4,188</u> | <u>-</u> | <u>4,188</u> |
| Total liabilities | <u>4,188</u> | <u>-</u> | <u>4,188</u> |
| Fund Balance: | | | |
| Unreserved | <u>116,430</u> | <u>(116,430)</u> | <u>-</u> |
| Total fund balance | <u>116,430</u> | | |
| Total liabilities and fund balance | <u>\$ 120,618</u> | | |
| Net assets: | | | |
| Invested in capital assets | | 1,053,985 | 1,053,985 |
| Unrestricted | | <u>116,430</u> | <u>116,430</u> |
| Total net assets | | <u>\$ 1,170,415</u> | <u>\$ 1,170,415</u> |

The accompanying notes are an integral part of these financial statements.

PAW PAW FIRE DEPARTMENT

STATEMENT OF GOVERNMENTAL REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES

Year Ended February 28, 2006

| | <i><u>Governmental Fund</u></i> | <i><u>Adjustments (Note 1)</u></i> | <i><u>Statement of Activities</u></i> |
|---|-------------------------------------|--|---|
| Revenues: | | | |
| Contributions from participating units | \$ 556,040 | \$ - | \$ 556,040 |
| Federal grants | 35,819 | - | 35,819 |
| Charges for services | 28 | - | 28 |
| Interest and rents | 1,775 | - | 1,775 |
| Other | <u>1,000</u> | <u>-</u> | <u>1,000</u> |
| Total revenues/program revenues | <u>594,662</u> | <u>-</u> | <u>594,662</u> |
| Expenditures/Expenses: | | | |
| Operations | 131,204 | 74,761 | 205,965 |
| Capital outlay | <u>409,631</u> | <u>(389,112)</u> | <u>20,519</u> |
| Total expenditures/expenses | <u>540,835</u> | <u>(314,351)</u> | <u>226,484</u> |
| Excess of revenues over (under) expenditures/expenses | 53,827 | 314,351 | 368,178 |
| Fund balance/net assets, beginning of year | <u>62,603</u> | <u>739,634</u> | <u>802,237</u> |
| Fund balance/net assets, end of year | <u><u>\$ 116,430</u></u> | <u><u>\$ 1,053,985</u></u> | <u><u>\$ 1,170,415</u></u> |

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

PAW PAW FIRE DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

February 28, 2006

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Paw Paw Fire Department (the Department) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

Reporting Entity:

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Fire Department. The Fire Department is required to consider other organizations for which the nature and significance of their relationship with it are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. There are no component units included in the Fire Department's reporting entity. Additionally, the Fire Department is not a component unit of any other reporting entity.

Costs of operations and capital expenditures are supported by contributions from the participating municipalities, which currently consists of the Village of Paw Paw and the Townships of Paw Paw, Waverly, Almena, and Antwerp.

Government-Wide and Fund Financial Statements:

The government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) report information of all activities of the Fire Department. The Paw Paw Fire Department is accounted for in one governmental type fund.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The government-wide financial statements (i.e. the Statement of Net Assets and Statement of Activities) are reported using the economic resource measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grant and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures related to compensated absences and claims and judgments, if any, are recorded only when payment is due.

PAW PAW FIRE DEPARTMENT

NOTES TO FINANCIAL STATEMENTS, continued

February 28, 2006

Assets, Liabilities and Equity:

Cash and Cash Equivalents – Cash and cash equivalents include cash on hand, demand deposits, certificates of deposit and short term investments with a maturity of three months or less when acquired. Investments, if any, are reported at fair value.

Receivables – All receivables are recorded at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Uncollectible balances, if any, are immaterial at year end.

Capital Assets – Purchased capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. The Fire Department defines capital assets as assets with an initial individual cost in excess of \$500 and an estimated useful life in excess of two years. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

| | |
|-----------|------------|
| Equipment | 5-10 years |
| Vehicles | 5-25 years |

Each participating unit is considered to have 1/5th ownership rights of all capital assets purchased.

Long-term Obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. In the fund financial statements, these items are recorded as expenditures when paid.

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information:

At least three months prior to each fiscal year, the Fire Department shall prepare a proposed budget for consideration by the Board. The budget shall be prepared on a basis consistent with the modified accrual basis of accounting which is used to reflect actual results. The Board shall adopt a budget for the fiscal year and allocate the costs to participating units by a formula previously agreed to by all participating units. The Operating Fund is under formal budgetary control. Unexpended appropriations lapse at year end.

PAW PAW FIRE DEPARTMENT

NOTES TO FINANCIAL STATEMENTS, continued

February 28, 2006

Excess of Expenditures over Appropriations in Budgeted Funds:

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. During the year, the Fire Department did not incur expenditures that were in excess of the amounts budgeted.

NOTE 4: DEPOSITS AND INVESTMENTS

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency of instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

Custodial Credit Risk of Bank Deposits:

Custodial credit risk is the risk that in the event of a bank failure, the Fire Department's deposits may not be returned. The Fire Department does not have a deposit policy for custodial credit risk. At year-end, the Fire Department had \$118,539 of bank deposits (checking and savings accounts), of which \$113,361 was covered by federal depository insurance and the remainder was uninsured and uncollateralized. The Fire Department believes that due to the dollar amounts of cash deposits, and the limits of FDIC insurance, it is impractical to insure all deposits. At year end, the Fire Department had no investments.

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended February 28, 2006 was as follows:

| | <i>March 1, 2005</i> | <i>Additions</i> | <i>Retirements</i> | <i>February 28, 2006</i> |
|--|--------------------------|-------------------|--------------------|------------------------------|
| Depreciable capital assets | | | | |
| Equipment | \$ 247,790 | \$ 34,652 | \$ - | \$ 282,442 |
| Vehicles | 920,559 | 354,460 | - | 1,275,019 |
| Total depreciable capital assets | 1,168,349 | 389,112 | - | 1,557,461 |
| Accumulated depreciation | (428,715) | (74,761) | - | (503,476) |
| Depreciable capital assets, net | 739,634 | 314,351 | - | 1,053,985 |
| Governmental activities, capital assets, net | <u>\$ 739,634</u> | <u>\$ 314,351</u> | <u>\$ -</u> | <u>\$ 1,053,985</u> |

PAW PAW FIRE DEPARTMENT

NOTES TO FINANCIAL STATEMENTS, continued

February 28, 2006

NOTE 6: LONG-TERM LIABILITIES

The Fire Department had no long-term liabilities at February 28, 2006.

NOTE 7: RISK MANAGEMENT

The Fire Department is exposed to various risk of loss for claims arising from general liability, wrongful acts, professional liability, property damage and destruction, crime accidents, and injuries. The Fire Department carries commercial insurance for risks of loss arising from possible claims. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 8: PRIOR PERIOD ADJUSTMENT

Accounting Change:

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments* (Statement). The Fire Department was required to implement the new requirements for the year ended February 28, 2005. Effective March 1, 2005, the Fire Department implemented the provisions of GASB Statement No. 34. The more significant of the changes to the financial statements as a result of the Statement are as follows:

For the first time, the financial statements will include:

- Government-wide financial statements prepared using full accrual accounting for all of the Fire Department's activities.
- Fund financial statements, consisting of a series of statements that focus on a government's major governmental fund.

As a result of implementing the Statement, the following restatements were made to beginning fund balance and net asset accounts:

Government-wide Financial Statements:

Beginning net assets for governmental activities was determined as follows:

| | |
|---|-------------------|
| Fund balance of operating fund as of 2/28/05 | \$ 62,603 |
| Add: Governmental capital assets | 1,168,349 |
| Deduct: Accumulated depreciation as of 2/28/05 on above governmental capital assets | <u>(428,715)</u> |
| Governmental net assets, as of 2/28/05 | <u>\$ 802,237</u> |

REQUIRED SUPPLEMENTAL INFORMATION

PAW PAW FIRE DEPARTMENT

OPERATING FUND

BUDGETARY COMPARISON SCHEDULE

Year Ended February 28, 2006

| | <i>Budgeted Amounts</i> | | | <i>Variance with Final Budget</i> |
|--|--------------------------------|---------------------|----------------------|--|
| | <i>Original</i> | <i>Final</i> | <i>Actual</i> | |
| Revenues | | | | |
| Contributions from participating units | \$ 556,040 | \$ 556,040 | \$ 556,040 | \$ - |
| Federal grants | 35,819 | 35,819 | 35,819 | - |
| Charges for services | - | - | 28 | 28 |
| Interest | 700 | 1,300 | 1,775 | 475 |
| Other revenue | - | - | 1,000 | 1,000 |
| Total revenues | <u>592,559</u> | <u>593,159</u> | <u>594,662</u> | <u>1,503</u> |
| Expenditures | | | | |
| Current | | | | |
| Public safety | 122,000 | 131,204 | 131,204 | - |
| Capital outlay | <u>423,839</u> | <u>423,695</u> | <u>409,631</u> | <u>(14,064)</u> |
| Total expenditures | <u>545,839</u> | <u>554,899</u> | <u>540,835</u> | <u>(14,064)</u> |
| Net change in fund balance | 46,720 | 38,260 | 53,827 | 15,567 |
| Fund balance, beginning of year | <u>62,603</u> | <u>62,603</u> | <u>62,603</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 109,323</u> | <u>\$ 100,863</u> | <u>\$ 116,430</u> | <u>\$ 15,567</u> |

OTHER SUPPLEMENTAL INFORMATION

OPERATING FUND
DETAILED SCHEDULE OF REVENUES
Year Ended February 28, 2006

Contributions from participating units:

| | |
|--------------------|----------------|
| Almena Township | \$ 107,908 |
| Antwerp Township | 95,041 |
| Paw Paw Township | 145,496 |
| Village of Paw Paw | 102,029 |
| Waverly Township | 105,566 |
| | <u>556,040</u> |

Federal grants:

| | |
|------|---------------|
| FEMA | <u>35,819</u> |
|------|---------------|

Charges for services:

| | |
|--------------|-----------|
| Fire reports | <u>28</u> |
|--------------|-----------|

Interest:

| | |
|----------|--------------|
| Interest | <u>1,775</u> |
|----------|--------------|

Other:

| | |
|---------------|--------------|
| Contributions | <u>1,000</u> |
|---------------|--------------|

| | |
|----------------|--------------------------|
| Total revenues | <u><u>\$ 594,662</u></u> |
|----------------|--------------------------|

OPERATING FUND
DETAILED SCHEDULE OF EXPENDITURES
Year Ended February 28, 2006

Public Safety:

Fire:

| | |
|-------------------------------------|----------------|
| Uniforms | \$ 11,292 |
| Supplies | 14,432 |
| Contracted services | 6,441 |
| Telephone | 3,273 |
| Dues and memberships | 256 |
| Education, conferences and training | 7,830 |
| Insurance | 26,194 |
| Utilities | 8,940 |
| Repairs and maintenance | 23,835 |
| Equipment and building rental | 13,323 |
| Other | 15,388 |
| | <u>131,204</u> |

Capital Outlay:

| | |
|------------------------|------------------------------|
| Public safety | <u>409,631</u> |
| Total expenditures | <u><u>\$ 540,835</u></u> |



September 19, 2006

To The Fire Department Board
Paw Paw Fire Department

We have audited the financial statements of the Paw Paw Fire Department for the year ended February 28, 2006. As required by auditing standards generally accepted in the United States, the independent auditor is required to make several communications to the governing body having oversight responsibility for the audit. The purpose of this communication is to provide you with additional information regarding the scope and results of our audit that may assist you with your oversight responsibilities of the financial reporting process for which management is responsible.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

We conducted our audit of the financial statements of the Paw Paw Fire Department in accordance with auditing standards generally accepted in the United States. The following paragraph explains our responsibilities under those standards.

Management has the responsibility for adopting sound accounting policies, for maintaining an adequate and effective system of accounts, for the safeguarding of assets, and for devising an internal control structure that will, among other things, help assure the proper recording of transactions. The transactions that should be reflected in the accounts and in the financial statements are matters within the direct knowledge and control of management. Our knowledge of such transactions is limited to that acquired through our audit. Accordingly, the fairness of representations made through the financial statements is an implicit and integral part of management's accounts and records. However, our responsibility for the financial statements is confined to the expression of an opinion on them. The financial statements remain the responsibility of management.

The concept of materiality is inherent in the work of an independent auditor. An auditor places greater emphasis on those items that have, on a relative basis, more importance to the financial statements and greater possibilities of material error than those items of lesser importance or those in which the possibility of material error is remote.

For this purpose, materiality has been defined as “the magnitude of an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement.”

An independent auditor’s objective in an audit is to obtain sufficient competent evidential matter to provide a reasonable basis for forming an opinion on the financial statements. In doing so, the auditor must work within economic limits; the opinion, to be economically useful, must be formed within a reasonable length of time and at reasonable cost. That is why an auditor’s work is based on selected tests rather than an attempt to verify all transactions. Since evidence is examined on a test basis only, an audit provides only reasonable assurance, rather than absolute assurance, that financial statements are free of material misstatement. Thus, there is a risk that audited financial statements may contain undiscovered material errors or fraud. The existence of that risk is implicit in the phrase in the audit report, “in our opinion.”

In the audit process, we gain an understanding of the internal control structure of an entity for the purpose of assisting in determining the nature, timing, and extent of audit testing. Our understanding is obtained by inquiry of management, testing transactions, and observation and review of documents and records. The amount of work done is not sufficient to provide a basis for an opinion on the adequacy of the internal control structure.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Paw Paw Fire Department are described in Note 1 to the financial statements. We noted no transactions entered into by the Paw Paw Fire Department during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Other Communications

Auditing standards call for us to inform you of other significant issues such as, but not limited to, 1) Accounting estimates that are particularly sensitive because of their significance to the financial statements or because of the possibility that future events affecting them may differ markedly from management’s current judgments; 2) Significant audit adjustments that may not have been detected except through the auditing procedures we performed; 3) Disagreements with management regarding the scope of the audit or application of accounting principles; 4) Consultation with other accountants; 5) Major issues discussed with management prior to retention; and 6) Difficulties encountered in performing the audit.

We have no significant issues, regarding these matters, to report to you at this time. Audit adjustments were minimal, and are available to review.

These conditions were considered in determining the nature, timing and extent of the audit tests to be applied in our audit of the Fire Department's financial statements and this communication of these matters does not affect our report on the organization's financial statements, dated August 23, 2006.

Summary

We welcome any questions you may have regarding the foregoing.

Sincerely,

Berthiaume & Co.

Berthiaume & Company
Certified Public Accountants